

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re:

Chapter 11
Case No.: 23-72433-reg

SPROUT MORTGAGE LLC,

Debtor.
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**STIPULATION AND ORDER
BETWEEN OPERATING TRUSTEE AND MILLER NASH LLP
REGARDING RETENTION FUNDS**

This Stipulation is by and between Allan B. Mendelsohn, in his capacity as duly appointed, qualified and serving operating trustee (“Trustee”) of Sprout Mortgage, LLC (“Debtor”) and Miller Nash LLP (“Miller Nash”) (Miller Nash and Trustee are referred to as “Settling Parties” or Parties”). The Parties, by and through their respective undersigned representatives, agree to the facts and terms of the Stipulation as follows:

WHEREAS, on July 5, 2023, an involuntary petition for relief was filed against the Debtor. On August 11, 2023, the Court entered the Order for Relief under chapter 7 of the Bankruptcy Code. Allan B. Mendelsohn was appointed interim chapter 7 Trustee of the Debtor’s estate; and

WHEREAS, by Order dated October 20, 2023, the Court converted the case from one under chapter 7 of the Bankruptcy Code to one under chapter 11 of the Bankruptcy Code; and

WHEREAS, by Order dated October 20, 2023, Allan B. Mendelsohn was appointed as the Trustee; and

WHEREAS, on December 19, 2022, the Debtor and Miller Nash entered into an Agreement for Legal Services (the “Agreement”) requiring the Debtor to make an advance fee deposit in the amount of \$5,000.00 (the “Retainer”); and

WHEREAS, on December 19, 2022, the Debtor wired the Retainer to Miller Nash from its Metropolitan Commercial Bank Account; and

WHEREAS, Miller Nash performed legal services for the Debtor as set forth in invoices dated January 10, February 8, March 17, and April 6, 2023; and

WHEREAS, Miller Nash's Statement of Account for the Debtor reflected \$2,577.00 due in legal fees; and

WHEREAS, as the payment remitted by the Debtor prior to the commencement of the bankruptcy case does not constitute a transfer of an interest in property of the estate recoverable by the Trustee for the benefit of the creditors of the estate; and

WHEREAS, the payment remitted by the Debtor prior to the commencement of bankruptcy case does not constitute a preference payment; and

WHEREAS, the Trustee is in agreement with Miller Nash that it may apply the Retainer and return to the Trustee any unused portion thereof; and

WHEREAS, each of the parties to this Stipulation agrees to bear his/its own legal expenses, including attorneys' fees, arising out of this Stipulation; and

IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AND SO ORDERED THAT:

1. Miller Nash is entitled to payment from the Retainer in the amount of \$2,577.00 for its legal services rendered to the Debtor under the Agreement.
2. The remaining \$2,423.00 of the Retainer amount shall be immediately turned over to the Trustee to hold on behalf of the estate.

3. The Court shall retain jurisdiction of this Stipulation and Order to enforce its terms and determine any disputes that may arise by and between the parties.

Dated: Smithtown, New York
January 19, 2024

Dated: Portland, Oregon
January 18, 2024

The Kantrow Law Group, PLLC
Attorneys for the Trustee

Miller Nash LLP

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